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United States Attorney

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RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

MMC

CR

03

0081

UNITED STATES OF AMERICA,

No. CR.

Plaintiff,

VIOLATIONS: 18 U.S.C. § 1343 --
Wire Fraud; 18 U.S.C. § 2314 --
Interstate Transmission of Money Taken
by Fraud; 18 U.S.C. § 1956(a)(1)(A)(i) &
(B)(i) -- Laundering of Monetary
Instruments; 18 U.S.C. § 2(b) -- Causing

v.

ALEXANDER VOLODARSKY,

SAN FRANCISCO VENUE

Defendant.

(UNDER SEAL)

INDICTMENT

The Grand Jury charges:

COUNTS ONE THROUGH SIX (18 U.S.C. §§ 1343 & 2(b) -- Wire Fraud and Causing)

A. Introduction

1. At all times relevant to this Indictment, defendant Alexander Volodarsky (hereinafter "defendant VOLODARSKY") marketed investments to individual clients.
2. At all times relevant to this Indictment, defendant VOLODARSKY, represented that he owned Vortex Development Corp. (hereinafter "Vortex"), a financial consulting

INDICTMENT

1 business located at his residence in San Francisco, California. Defendant
2 VOLODARSKY maintained a bank account in the name Vortex at Liberty Bank in South
3 San Francisco, California (hereinafter "Vortex account"). Defendant VOLODARSKY
4 also held a personal account at Liberty Bank (hereinafter "Volodarsky account").

5 3. At all times relevant to this indictment, British Trade and Commerce Bank
6 (BTCB) was a financial institution located in Dominica. BTCB maintained its funds in
7 bank accounts with Security Bank in Florida.

8 B. The Scheme to Defraud

9 4. Beginning on a date before August 7, 1995, defendant VOLODARSKY solicited
10 potential investors including Edwin Samn for what he described as a high yield trading
11 program, or bank secured program. Defendant VOLODARSKY falsely and fraudulently
12 represented that the investments would lead to high returns for the investors of at least
13 thirty percent a year.

14 5. On or about May 1998, defendant VOLODARSKY opened an account at BTCB
15 in the name Kenyild SA (hereinafter "Kenyild SA account"). Defendant and Samn
16 were the signatories on the account.

17 6. Defendant VOLODARSKY persuaded Samn to transfer approximately
18 \$1,249,982.50 into the Kenyild SA account for the purpose of investing in the high yield
19 trading program described above.

20 7. Defendant VOLODARSKY falsely and fraudulently represented to Edwin Samn
21 that:

22 a. The money transferred into the Kenyild SA account would be invested in a
23 high yield trading program which would have a rate of return of at least 30 percent a year.

24 b. Defendant VOLODARSKY intended to establish and did establish an account
25 with BTCB which required the signatures of himself and Samn to withdraw funds.

26 c. The money transferred into the Kenyild SA account had been invested as
27 promised and was generating a large profit.

28 d. On November 11, 1998, the Kenyild SA account had an ending balance of

1 approximately \$2,158,756.87.

2 8. Defendant VOLODARSKY falsely and fraudulently represented to BTCB that
3 Edwin Samn authorized the transfer of \$773,626.06 from the Kenyeld SA account to the
4 Vortex bank account, and that Samn's signature authorizing the transfer was genuine.

5 9. Between July and December 1998, Defendant VOLODARSKY secretly caused the
6 transfer of over \$900,000 in the Kenyeld SA account to the Vortex account including the
7 \$773,626.06 referenced above.

8 10. On or about the dates indicated below, in the Northern District of California and
9 elsewhere, the defendant

10 ALEXANDER VOLODARSKY,

11 having devised and intending to devise a scheme and artifice to defraud and to obtain
12 money by means of false and fraudulent pretenses, representations and promises, for the
13 purpose of executing and attempting to execute the scheme and artifice to defraud
14 described above, did knowingly transmit and cause to be transmitted in interstate
15 commerce from Security Bank in Florida to Liberty Bank in California by means of wire
16 communication certain writings, signs, signals, and sounds as follows:

17 <u>Count</u>	<u>Date of Wire Communication</u>	<u>Amount Wired</u>
18 One	7/15/98	\$30,000.00
19 Two	7/29/98	\$50,000.00
20 Three	8/18/98	\$51,769.00
21 Four	11/12/98	\$52,000.00
22 Five	12/11/98	\$35,000.00
23 Six	12/23/98	\$773,626.06

24 All in violation of Title 18, United States Code, Sections 1343 and 2(b).

25 COUNTS SEVEN THROUGH TWELVE: (18 U.S.C. § 2314 -- Interstate Transmission
26 of Money Taken by Fraud; 18 U.S.C. § 2(b) -- Causing)

27 On or about the dates indicated below, in the Northern District of California and
28 elsewhere, the defendant

1 ALEXANDER VOLODARSKY,
2 did unlawfully cause to be transported, transmitted, and transferred, in interstate
3 commerce from Security Bank in Florida to Liberty Bank in California, money of the
4 value of \$5000 or more as specified below, knowing that the money had been stolen,
5 converted and taken by fraud:

6 <u>Count</u>	<u>Date of Transmission</u>	<u>Amount Transmitted</u>
7 Seven	7/15/98	\$30,000.00
8 Eight	7/29/98	\$50,000.00
9 Nine	8/18/98	\$51,769.00
10 Ten	11/12/98	\$52,000.00
11 Eleven	12/11/98	\$35,000.00
12 Twelve	12/23/98	\$773,626.06

13 All in violation of Title 18, United States Code, Sections 2314 and 2(b).
14 COUNTS THIRTEEN THROUGH SIXTEEN: (18 U.S.C. § 1956 (a)(1)(A)(i) & (B)(i) --
15 Laundering of Monetary Instruments; 18 U.S.C. § 2(b) -- Causing)

16 On or about the dates indicated below, in the Northern District of California and
17 elsewhere, the defendant

18 ALEXANDER VOLODARSKY,
19 did knowingly and intentionally conduct and attempt to conduct the financial transactions
20 described below affecting interstate commerce and involving the use of Liberty Bank, a
21 financial institution which was engaged in interstate commerce, which financial
22 transactions involved the proceeds of a specified unlawful activity, specifically wire fraud
23 and interstate transmission of money taken by fraud, and knowing that the property
24 involved in such financial transactions represented the proceeds of some form of unlawful
25 activity, and knowing that the financial transactions were designed in part to conceal and
26 disguise the nature, location, source, ownership, and control of the proceeds of those
27 specified unlawful activities, and with the intent to promote the carrying on of those
28

1 specific unlawful activities:

2	<u>Count</u>	<u>Date</u>	<u>Financial Transaction</u>
3	Thirteen	8/18/98	Intra-bank transfer of \$50,000.00 from Vortex account to Volodarsky account
4	Fourteen	8/20/98	Inter-bank wire transfer of \$16,000.00 from Volodarsky account to the Bank of the West
5	Fifteen	12/23/98	Purchase of a \$200,000.00 cashier's check from Vortex account
6	Sixteen	1/14/99	Withdrawal of \$25,000.00 from the Vortex account

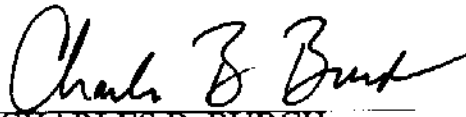
9 All in violation of Title 18, United States Code, Sections 1956 (a)(1)(A)(i) &
10 (B)(i) and 2(b).
11
12


13 DATED:

A TRUE BILL.

15 FOREPERSON

16 KEVIN V. RYAN
17 United States Attorney

18 
19 CHARLES B. BURCH
20 Chief, Criminal Division

21 (Approved as to form: )

AUSA Leigh

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INDICTMENT